expenditure on subsidies on items like food, fertilizers and for export promotion/market development will be Rs. 8454 crores during the current fiscal year;

(b) if so, the likely impact of such subsidy on price situation; and

(c) whether Government have any proposal to stop giving such subsidies or at least curtial the same so as to reduce the burden on the exchequer ?

THE MINISTER OF FINANCE (PROF. MADHU DANDAVATE): (a) Yus, Sir. Those r.re based on Budget 1989-90 figures.

(b) and (c) Subsidies given to consumers are meant for price stabilisation. If such subsidies are withdrawn, prices of thi relevant commodities will rise. Subsidy for exports promotes exports. In creased exports improve balance of payments position enabling imports to offset domestic shortages which in turn benefits overall growth and price stability. It is however, always the endeavour of the Gov ernment to keep down th *i* subsidies to the minimum level possible, so as to curtail the burden on the exchequer.

Khusro Committee Report on Agricultural credit

327. SHRI SHIV PRATAP MISHRA : Will the Minister of FINANCE be pleased to state :

(a) what are the details of the Khusro Committee Report on Agriciltural credit submitted to Government in 1989;

(b> whether Government hive accepted any of its recommendations; and

(c) if so, what are the details thereot ?

THE MINISTER OF FINANCE (PROF. MADHU DANDAVATE) : (a) to (c) The Agriculture Credit Review Committee (Chairman— Prof. A.M. Khusro), has reviewed the rural financial system in the country and evaluated the major protlems and issues currently affecting the same. It has made wide range of recommendations for improving the quality of credit and strengthening its efficiency and effectiveness. Th 5 Report is under consideration of the Government and Reserve Bank of India.

Delay in handling Government Accounts by Nationalised Banks

328. SHRl KRISHNA KUMAR BIRLA : Will the Minister of FINANCE b? pleased to -rfate :

(«) whether any random study has been made to ascertain the annual losses suffered due to the delay in handling Government accounts by the nationalised banks in the country;

(b) it so, what arc the details thereof stating the number of public soctor banks where such a study was conducted and the gmount of loss detected to have been suffered annually due to delay in handling Government accounts; and

(c) whether Government have critically examined the causes for the delay; if so, what remedial measures have baen taken by Gov-ernment in the matter?

THE MINISTER OF FINANCE (PROF. MADHU DANDAVATE): (a) to (c) The schemes for the receipt of Government dues on account of direct taxes and indirect taxes by designated nationalised banks in addition to the Reserve Bank of India (RBI) and State Bank o$_f$ India (SBI) were introduced by the Government with effect from 1st April, 1976 and 1st April, 1977 respectively. In terms of the exist-

ing instructions the collecting banks arc required to remit the day's collections at the receiving branches for credit to the Government accounts within a maximum period of seven days from the date of collection.

Though a random study has not been conducted by Reserve Bank of India and the Controller General of Accounts to ascertain the annual loss suffered by Government due to delay in handling of Government accounts by nationalised banks becuase of increase in revenue collection and large number of bank branches handling the work some delays had occurred in the past in crediting of tax collections to Government accounts. RBI and the Goveinment have issued series of instructions to the banks to ensure that the Government collections arc remitted to th«s Central Accounting Section of the **RBI** Nagpur within the stipulated period of seven days. The procedures for reporting and accounting of Government duos under Central Board of Excise and Customs and Central Board of Direct Taxes have been revised with -effect from 1st April, 1986 and 1st October, 1988 respectively. In the revised procedure -number of improvements have been effected. The new procedures have helped in speedy remittances of Government collections. Government have also set up a Standing Committee under the Chairmanship of Controller General of Accounts to review the procedural aspects of collections, accounting and reconciliation of revenue receipts of Government on an "ongoing" ba^is for suggesting suitable improvement etc. Instructions have also been issued that interest at the rate of 5 per cent per annum will be charged on remittances representing tax collection of Rs. one crore and above if the period of delay exceed one month.

With a view to ensure prompt credit of taxes to Government account and also to ensure that banks follow the procedure prescribed by the Government in the conduct of Government business, the Reserve Bank of India undertakes inspections of public sector banks conducting Government business. A test inspection of public sector banks is also being conducted by the office of the Controller General of Accounts to detect thes cases of delayed credits to Government accounts.

Smuggling of Gold and Silver

329. SHRI KRISHNA KUMAR BIRLA :
SHRI MURLIDHAR CHANDRAKANT BHANDARE :

Will the Minister of FINANCE bo pleased to state :

(a) whether it is a fact that during the past two years there has been substantial increase in the smuggling of gold and silver into the country;

(b) if so, what is thi percentage of rise in the smuggling of gold and silver at the end of 1989 as compared to 1987 and 1988 ;

(c) what is the estimated value of gold and silver seized by Government at the end of 1989 and so far during 1990 and how docs it compare with the seizure during 1987 and 1988;

(d) what are the main causes for the rise in the smuggling of gold and silver and what has been its impact on the domestic prices; and

(c) what measures have been taken by Government to strengthen anti-smuggling drive?

THE MINISTER OF FINANCE (PROF. MADHU DANDAVATE) : (a) to (c) It is not feasible to say whether the smuggling of gold and